

PARKDALE COMMUNITY AUTHORITY
ANNUAL BUDGET
FOR THE YEAR ENDING DECEMBER 31, 2021

**PARKDALE COMMUNITY AUTHORITY
SUMMARY
2021 BUDGET
For the Year Ending December 31,**

1/28/2021

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCES | \$ - | \$ - | \$ 22,006,250 |
| REVENUES | | | |
| Interest income | - | 9,250 | 21,500 |
| Developer advance | - | 2,276,355 | 17,526,592 |
| Intergovernmental revenues | - | 4,525 | 17,542 |
| Bond issuance | - | 25,558,000 | - |
| Total revenues | - | 27,848,130 | 17,565,634 |
| TRANSFERS IN | - | 4,874,175 | - |
| Total funds available | - | 32,722,305 | 39,571,884 |
| EXPENDITURES | | | |
| General Fund | - | 120,000 | 85,000 |
| Debt Service Fund | - | 344,367 | 1,075,725 |
| Capital Projects Fund | - | 5,377,513 | 34,936,984 |
| Total expenditures | - | 5,841,880 | 36,097,709 |
| TRANSFERS OUT | - | 4,874,175 | - |
| Total expenditures and transfers out requiring appropriation | - | 10,716,055 | 36,097,709 |
| ENDING FUND BALANCES | \$ - | \$ 22,006,250 | \$ 3,474,175 |
| EMERGENCY RESERVE | \$ - | \$ 200 | \$ 200 |
| Series 2020A Capitalized Interest Fund | - | 2,861,808 | 1,793,083 |
| Series 2020A Surplus Fund | - | 1,670,250 | 1,680,393 |
| TOTAL RESERVE | \$ - | \$ 4,532,258 | \$ 3,473,676 |

**PARKDALE COMMUNITY AUTHORITY
GENERAL FUND
2021 BUDGET
For the Year Ending December 31,**

1/28/2021

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ 200 |
| REVENUES | | | |
| Developer advance | - | 115,675 | 80,600 |
| Transfer from Parkdale MD No. 1 | - | 4,525 | 3,793 |
| Transfer from Parkdale MD No. 2 | - | - | 1,106 |
| Total revenues | <u>-</u> | <u>120,200</u> | <u>85,499</u> |
| Total funds available | <u>-</u> | <u>120,200</u> | <u>85,699</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Accounting | - | 15,000 | 25,000 |
| Audit | - | - | 5,400 |
| Dues | - | 753 | 1,000 |
| Insurance | - | - | 10,000 |
| Legal | - | 35,000 | 35,000 |
| Legal - election expense | - | 17,374 | - |
| Transfer from Parkdale MD No. 1 - prior costs | - | 43,082 | - |
| Contingency | - | 8,791 | 8,600 |
| Total expenditures | <u>-</u> | <u>120,000</u> | <u>85,000</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>120,000</u> | <u>85,000</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ 200</u> | <u>\$ 699</u> |
| EMERGENCY RESERVE | <u>\$ -</u> | <u>\$ 200</u> | <u>\$ 200</u> |
| TOTAL RESERVE | <u>\$ -</u> | <u>\$ 200</u> | <u>\$ 200</u> |

**PARKDALE COMMUNITY AUTHORITY
DEBT SERVICE FUND
2021 BUDGET
For the Year Ending December 31,**

1/28/2021

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|----------------|---------------------|---------------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ 4,532,058 |
| REVENUES | | | |
| Interest income | - | 2,250 | 4,500 |
| Transfers from Parkdale MD No. 1 | - | - | 12,643 |
| Total revenues | <u>-</u> | <u>2,250</u> | <u>17,143</u> |
| TRANSFERS IN | | | |
| Transfers from other funds | <u>-</u> | <u>4,874,175</u> | <u>-</u> |
| Total funds available | <u>-</u> | <u>4,876,425</u> | <u>4,549,201</u> |
| EXPENDITURES | | | |
| General and administrative | | | |
| Paying agent fees | - | - | 7,000 |
| Debt Service | | | |
| Bond interest - Series 2020A | - | 344,367 | 1,068,725 |
| Total expenditures | <u>-</u> | <u>344,367</u> | <u>1,075,725</u> |
| Total expenditures and transfers out requiring appropriation | <u>-</u> | <u>344,367</u> | <u>1,075,725</u> |
| ENDING FUND BALANCE | <u>\$ -</u> | <u>\$ 4,532,058</u> | <u>\$ 3,473,476</u> |
| Series 2020A Capitalized Interest Fund | \$ - | \$ 2,861,808 | \$ 1,793,083 |
| Series 2020A Surplus Fund | - | 1,670,250 | 1,680,393 |
| TOTAL RESERVE | <u>\$ -</u> | <u>\$ 4,532,058</u> | <u>\$ 3,473,476</u> |

**PARKDALE COMMUNITY AUTHORITY
CAPITAL PROJECTS FUND
2021 BUDGET
For the Year Ending December 31,**

1/28/2021

| | ACTUAL 2019 | ESTIMATED 2020 | BUDGET 2021 |
|---|----------------|-------------------|----------------|
| BEGINNING FUND BALANCE | \$ - | \$ - | \$ 17,473,992 |
| REVENUES | | | |
| Interest income | - | 7,000 | 17,000 |
| Developer advance | - | 2,160,680 | 17,445,992 |
| Bond issuance - Series 2020A | - | 20,710,000 | - |
| Bond issuance - Series 2020B | - | 4,848,000 | - |
| Total revenues | - | 27,725,680 | 17,462,992 |
| Total funds available | - | 27,725,680 | 34,936,984 |
| EXPENDITURES | | | |
| General and Administrative | | | |
| Accounting | - | 5,000 | 15,000 |
| Bond issue costs | - | 1,028,072 | - |
| Engineering - costs verification | - | 10,000 | 15,000 |
| Legal | - | 5,000 | 15,000 |
| Capital Projects | | | |
| Repay Developer advance | - | 2,168,761 | 17,445,992 |
| Public improvements | - | 2,160,680 | 17,445,992 |
| Total expenditures | - | 5,377,513 | 34,936,984 |
| TRANSFERS OUT | | | |
| Transfers to other fund | - | 4,874,175 | - |
| Total expenditures and transfers out requiring appropriation | - | 10,251,688 | 34,936,984 |
| ENDING FUND BALANCE | \$ - | \$ 17,473,992 | \$ - |

**PARKDALE COMMUNITY AUTHORITY
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Services Provided

Parkdale Metropolitan District No. 1 (“District No. 1”), Parkdale Metropolitan District No. 2 (“District No. 2”) and Parkdale Metropolitan District No. 3 (“District No. 3” and, together with District No. 1 and District No. 2, the “Districts”), pursuant to the Colorado Constitution Article XIV, Sections 18(2)(a) and (b) and Sections 29-1-203 and 29-1-203.5, C.R.S. (the “Act”), have entered into that Agreement Establishing the Parkdale Community Authority (The Authority) dated as of February 20, 2020 (as further amended or supplemented from time to time, the “Establishment Agreement”), establishing the Authority to provide the “Services” (as defined in the Establishment Agreement, generally comprised of the street improvements, traffic and safety controls, retaining walls, park and recreation improvements and facilities, trails, open space, landscaping, drainage improvements, and irrigation system improvements contemplated by the Service Plan for the Districts, including the “Public Improvements”) and, in connection therewith, to incur financial obligations on behalf of the Districts.

The Authority has no employees and all administrative functions are contractual.

The Authority prepares its budget on the modified accrual basis of accounting in accordance with the requirements of Colorado Revised Statutes C.R.S. 29-1-105 using its best estimates as of the date of the budget hearing. These estimates are based on expected conditions and its expected course of actions. The assumptions disclosed herein are those that the Authority believes are significant to the budget. There will usually be differences between the budget and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

Revenues

Transfers from Other Districts

The Authority anticipates the collection of taxes by the Districts, which will be transferred to the Authority to fund operating costs of the Authority. The Districts are obligated by the Operating Pledge Agreement to levy the Required Mill Levy. The Required Mill Levy is defined as a maximum operating mill levy of 15.000 mills for each District, to be adjusted for changes in the method of calculating assessed valuation that occur after January 1, 2017. The method of calculating assessed valuation of residential property in the State of Colorado changed from 7.20% to 7.15% on June 3, 2019. Accordingly, the Districts’ maximum operating mill levies have been adjusted to 16.699 mills for each District.

Net Investment Income

Net investment income associated with cash balances has not been considered in this budget.

Developer Advance

The Authority is in the development stage. As such, the Authority’s general and administrative expenditures will be mainly funded by the Developer. Developer advances are recorded as revenue for budget purposes with an obligation for future repayment when the Authority is financially able to reimburse the Developer from bond proceeds, if applicable, and other legally available revenue.

**PARKDALE COMMUNITY AUTHORITY
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Expenditures

General and Administrative

General and administrative expenditures have been provided based on estimates of the Authority's Board of Directors and consultants and include the services necessary to maintain the Authority's administrative viability such as legal, accounting, insurance and other administrative expenses.

Capital Outlay

The Authority anticipates infrastructure improvements as noted in the Capital Projects Fund.

Debt and Leases

The District issued Limited Tax Supported (District No. 1) Revenue Bonds, Series 2020A (the Senior Bonds) and Subordinate Limited Tax Supported (District No. 1) Revenue Bonds, Series 2020B (the Subordinate Bonds, and together with the Senior Bonds, the Bonds). The Authority issued the Bonds on August 5, 2020, in the par amounts of \$20,710,000 for the Senior Bonds and \$4,848,000 for the Subordinate Bonds. Proceeds from the sale of the Bonds were used to finance public improvements related to the Development and to pay the costs of issuing the Bonds. A portion of the proceeds of the Senior Bonds were used to: (i) partially fund the Senior Surplus Fund, and; (ii) fund capitalized interest on the Senior Bonds.

Pursuant to Senior and Subordinate Pledge Agreements between the Authority, Parkdale Metropolitan District No. 1 (District No. 1) and the Trustee, the Authority covenants and agrees to require District No. 1, and District No. 1 covenants and agrees, to levy the Senior Required Mill Levy and Subordinate Required Mill Levy upon all taxable property of District No. 1 in accordance with the Senior Pledge Agreement and Subordinate Pledge Agreement, respectively.

The Senior Bonds were issued as two term bonds with the first bearing interest at 5.000% per annum and maturing on December 1, 2040, and the second bearing interest at 5.250% and maturing on December 1, 2050. Interest on the Senior Bonds is payable semiannually to the extent of Senior Pledged Revenue available on June 1 and December 1, beginning on December 1, 2020. Annual mandatory sinking fund principal payments are due on December 1, beginning on December 1, 2026.

To the extent principal of any Senior Bond is not paid when due, such principal shall remain outstanding until paid, subject to discharge. To the extent interest on any Senior Bond is not paid when due, such interest shall compound semiannually on each interest payment date at the rate borne by the Senior Bond. In the event that any amount of principal or interest on the Senior Bonds remains unpaid after the application of all Senior Pledged Revenue available on December 1, 2060, the Senior Bonds shall be deemed discharged.

**PARKDALE COMMUNITY AUTHORITY
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The Senior Bonds are subject to redemption prior to maturity, at the option of the Authority, on September 1, 2025, and on any date thereafter, upon payment of par, accrued interest and a redemption premium equal to a percentage of the principal amount so redeemed as follows:

| <u>Date of Redemption</u> | <u>Redemption Premium</u> |
|---------------------------------------|---------------------------|
| September 1, 2025, to August 31, 2026 | 3.00% |
| September 1, 2026, to August 31, 2027 | 2.00 |
| September 1, 2027, to August 31, 2028 | 1.00 |
| September 1, 2028, and thereafter | 0.00 |

The Senior Bonds are secured by and payable solely from and to the extent of Senior Pledged Revenue which means: (a) all Senior Property Tax Revenues; (b) all Senior Specific Ownership Tax Revenues; and (c) any other legally available moneys which the Authority determines, in its absolute discretion, to transfer to credit to the Senior Bond Fund.

“Senior Property Tax Revenues” means all moneys derived from imposition by District No. 1 of the Senior Required Mill Levy. Senior Property Tax Revenues are net of the collection costs of the County and any tax refunds or abatements authorized by or on behalf of the County and do not include specific ownership tax revenues.

“Senior Specific Ownership Tax Revenues” means the specific ownership taxes remitted to District No. 1 as a result of imposition by District No. 1 of the Senior Required Mill Levy.

The Senior Pledge Agreement requires that District No. 1 impose a Senior Required Mill Levy on all taxable property of District No. 1 each year in an amount sufficient to generate Senior Property Tax Revenues equal to the Annual Financing Costs, but (i) not in excess of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation occurring after January 1, 2017), and (ii) for so long as the Surplus Fund is less than the Maximum Surplus Amount, not less than 50 mills (subject to adjustment), or such lesser mill levy which, if imposed by District No. 1 for collection in the succeeding calendar year, would generate Senior Property Tax Revenues sufficient to pay the principal of, premium if any, and interest on the Senior Bonds and any Additional Senior Obligations as they come due, to replenish any reserve fund securing Additional Senior Obligations, and to fully fund the Surplus Fund up to the Maximum Surplus Amount.

The Senior Bonds are additionally secured by capitalized interest which was funded from proceeds of the Senior Bonds in the amount of \$3,206,175 and by amounts, if any, in the Surplus Fund.

Except for an initial deposit of \$1,668,000 from proceeds of the Senior Bonds, the Surplus Fund will be funded solely from Senior Pledged Revenue that is not needed to pay debt service on the Senior Bonds in any year up to the Maximum Surplus Amount of \$4,142,000. Amounts on deposit in the Surplus Fund (if any) on the final maturity date of the Senior Bonds shall be applied to the payment of the Senior Bonds. The availability of such amount is to be taken into account in calculating the Senior Required Mill Levy.

Any amount on deposit in the Surplus Fund not applied to payment of the Senior Bonds on their final maturity date shall be released to the Authority for application to any lawful purpose (which may include, but is not limited to, deposit to any fund for payment of Parity Bonds or Subordinate Obligations).

**PARKDALE COMMUNITY AUTHORITY
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Debt and Leases – (continued)

The Subordinate Bonds bear interest at the rate of 7.750% per annum and are payable annually on December 15, beginning December 15, 2020, from, and to the extent of, Subordinate Pledged Revenue available, if any, and mature on December 15, 2050.

The Subordinate Bonds are structured as cash flow bonds meaning that there are no scheduled payments of principal or interest prior to the final maturity date. Unpaid interest on the Subordinate Bonds compounds annually on each December 15. In the event that any amount of principal or interest on the Subordinate Bonds remains unpaid after the application of all Subordinate Pledged Revenue available on December 15, 2060, the Subordinate Bonds shall be deemed discharged.

The Subordinate Bonds are subject to redemption prior to maturity, at the option of the Authority, on September 1, 2025, and on any date thereafter, upon payment of par, accrued interest and a redemption premium equal to a percentage of the principal amount so redeemed, as follows:

| <u>Date of Redemption</u> | <u>Redemption Premium</u> |
|---------------------------------------|---------------------------|
| September 1, 2025, to August 31, 2026 | 3.00% |
| September 1, 2026, to August 31, 2027 | 2.00 |
| September 1, 2027, to August 31, 2028 | 1.00 |
| September 1, 2028, and thereafter | 0.00 |

The Subordinate Bonds are secured by and payable solely from and to the extent of Subordinate Pledged Revenue which means: (a) all Subordinate Property Tax Revenues; (b) all Subordinate Specific Ownership Tax Revenues; and (c) any other legally available moneys which the Authority determines, in its absolute discretion, to credit to the Subordinate Bond Fund. "Subordinate Property Tax Revenues" means all moneys derived from imposition by District No. 1 of the Subordinate Required Mill Levy and excludes Subordinate Specific Ownership Tax Revenues. Subordinate Property Tax Revenues are net of the costs of collection and any tax refunds or abatements authorized by or on behalf of the County.

"Subordinate Specific Ownership Tax Revenues" means the specific ownership taxes remitted to District No. 1 as a result of imposition by District No. 1 of the Subordinate Required Mill Levy.

The Subordinate Pledge Agreement requires that District No. 1 impose a Subordinate Required Mill Levy on all taxable property of District No. 1 each year in the amount of 50 mills (subject to adjustment for changes in the method of calculating assessed valuation after January 1, 2017) less the Senior Obligation Mill Levy, or such lesser amount determined by the Authority which generates Subordinate Property Tax Revenues sufficient to pay the Subordinate Bonds and any other Additional Subordinate Obligations in full in the year of collection. Senior Obligation Mill Levy is the ad valorem property tax levy required to be imposed by District No. 1 for the payment of Senior Obligations.

**PARKDALE COMMUNITY AUTHORITY
2021 BUDGET
SUMMARY OF SIGNIFICANT ASSUMPTIONS**

Reserves

Emergency Reserve

The Authority has provided for an emergency reserve fund equal to at least 3% of fiscal year spending as defined under TABOR.

This information is an integral part of the accompanying forecasted budget.

**PARKDALE COMMUNITY AUTHORITY
SCHEDULE OF DEBT SERVICE REQUIREMENTS TO MATURITY**

\$20,710,000 Limited Tax Supported (District No. 1)

Revenue Bonds

Series 2020A

Dated August 5, 2020

Interest Rate of 5.00-.25%

Payable June 1 and December 1

| Year Ending December 31, | Principal | Interest | Total |
|-------------------------------------|----------------------|----------------------|----------------------|
| 2021 | \$ - | \$ 1,068,725 | \$ 1,068,725 |
| 2022 | - | 1,068,725 | 1,068,725 |
| 2023 | - | 1,068,725 | 1,068,725 |
| 2024 | - | 1,068,725 | 1,068,725 |
| 2025 | - | 1,068,725 | 1,068,725 |
| 2026 | 220,000 | 1,068,725 | 1,288,725 |
| 2027 | 280,000 | 1,057,725 | 1,337,725 |
| 2028 | 320,000 | 1,043,725 | 1,363,725 |
| 2029 | 340,000 | 1,027,725 | 1,367,725 |
| 2030 | 385,000 | 1,010,725 | 1,395,725 |
| 2031 | 400,000 | 991,475 | 1,391,475 |
| 2032 | 450,000 | 971,475 | 1,421,475 |
| 2033 | 470,000 | 948,975 | 1,418,975 |
| 2034 | 525,000 | 925,475 | 1,450,475 |
| 2035 | 550,000 | 899,225 | 1,449,225 |
| 2036 | 605,000 | 871,725 | 1,476,725 |
| 2037 | 640,000 | 841,475 | 1,481,475 |
| 2038 | 700,000 | 809,475 | 1,509,475 |
| 2039 | 735,000 | 774,475 | 1,509,475 |
| 2040 | 800,000 | 737,725 | 1,537,725 |
| 2041 | 840,000 | 697,725 | 1,537,725 |
| 2042 | 915,000 | 653,625 | 1,568,625 |
| 2043 | 965,000 | 605,588 | 1,570,588 |
| 2044 | 1,045,000 | 554,925 | 1,599,925 |
| 2045 | 1,100,000 | 500,063 | 1,600,063 |
| 2046 | 1,190,000 | 442,313 | 1,632,313 |
| 2047 | 1,255,000 | 379,838 | 1,634,838 |
| 2048 | 1,355,000 | 313,950 | 1,668,950 |
| 2049 | 1,425,000 | 242,813 | 1,667,813 |
| 2050 | 3,200,000 | 168,000 | 3,368,000 |
| | \$ 20,710,000 | \$ 23,882,590 | \$ 44,592,590 |

No assurance provided. See summary of significant assumptions.